

NOTICE TO DEFENDANT DEBTOR ON
HOW TO CLAIM EXEMPTIONS

The attached post-judgment process has been issued on request of the United States of America.

The law provides that certain property and wages cannot be taken. Such property is said to be exempted. This Notice lists the exemptions under federal law and your state law. There is no exemption solely because you are having difficulty paying your debts.

If you claim an exemption, you should (i) fill out the claim for exemption form and (ii) deliver or mail the form to the clerk's office of this court and counsel for the United States. You have a right to a hearing within five business days, or as soon as practicable, from the date you file your claim with the court.

If the United States of America as creditor is asking that your wages be withheld, the method of computing the amount of wages which are exempt from garnishment by law is indicated on the Claim for Exemption Form which is attached. You do not need to file a claim for exemption to receive this exemption, but if you believe the wrong amount is being withheld, you may file a claim for exemption.

On the day of the hearing, you should come to court ready to explain why your property is exempted, and you should bring any documents which may help you prove your case. If you do not come to court at the designated time and prove that your property is exempt, you may lose some of your rights.

It may be helpful to you to seek the advice of an attorney in this matter.

CLAIM FOR EXEMPTION FORM**MAJOR EXEMPTIONS UNDER FEDERAL LAW**

I claim that the exemption(s) from garnishment which are checked below apply in this case:

- 1. Social Security benefits and Supplemental Security income (42 U.S.C. § 407).
- 2. Veterans' benefits (38 U.S.C. § 3101).
- 2a. Members of armed services annuities (10 U.S.C. § 1440, 38 U.S.C. § 562).
- 3. Federal civil service retirement benefits (5 U.S.C. § 8346 and 22 U.S.C. § 4060(c)).
- 4. Annuities to survivors of federal judges (28 U.S.C. § 376(n)).
- 5. Longshoremen and Harborworkers Compensation Act (33 U.S.C. § 916).
- 6. Black lung benefits (30 U.S.C. §§ 931(b)(2)(F) and 932(a)).
- 6a. Seaman's, master's or fisherman's wages, except for child support or spousal support and maintenance (46 U.S.C.A. §§ 1108-1109(a-c)).

Exemptions listed under 1 through 6 above may not be applicable in child support and alimony cases (42 U.S.C. § 659).

- 6b. Railroad retirement, pension, unemployment benefits (45 U.S.C. §§ 231(m), 352(e)).
- 7. Compensation for war risk hazards (42 U.S.C. § 1717).
- 8. Bankruptcy Code (Title 11, United States Code) which generally provides exemptions for:
 - 8a. \$18,450 in equity in a residence.
 - 8b. \$2,950 in equity in a motor vehicle.

- 8c. Jewelry worth up to \$1,225.
- 8d. Personal property worth up to \$9,850. (However, no single item worth more than \$475 can be claimed as exempt.)
- 8e. Property totaling up to \$975 in value, plus up to \$9,250 of any unused amount of the exemption provided in number 11 (a) above.
- 8f. \$1,850 of equity in professional books, implements or tools, of your trade or your dependant's trade.
- 8g. Any unmatured life insurance contract you own, other than credit life insurance.
- 8h. The aggregate value, up to \$9,850, of any accrued dividend or interest under, or loan value of, any unmatured life insurance contract you own, but only if you are the insured or you are a dependant of the insured.
- 8i. Professionally prescribed health aids for you or your dependants.
- 8j. Unemployment compensation benefits, local public assistance benefits, disability benefits, illness benefits; and alimony, support, and separate maintenance, to the extent these items are reasonably necessary for your support or the support of your dependants.
- 8k. A payment under a stock bonus, pension, profit-sharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for your support or the support of your dependants, subject to the limitations set forth at Title 11 United States Code Section 522(d)(10)(E)(i)-(iii).
- 8l. Your right to receive, or property that is traceable to,
 - an award under a crime victim's reparation law;
 - a payment on account of the wrongful death of an individual of whom you were a dependant, but only to the extent reasonably necessary for your support or the support of your dependants;

- a payment under life insurance contract that insured an individual of whom you were a defendant on the date of the insured's death, but only to the extent reasonably necessary for your support or the support of your defendants;
- a payment, not to exceed \$18,450, on account of personal bodily injury suffered by you or by an individual of whom you are a defendant; however, payment for pain and suffering or payment to compensate, actual pecuniary loss are not exempt under this paragraph;
- a payment in compensation of loss of your future earnings or the future earnings of an individual of whom you are, or were, a defendant, but only to the extent reasonably necessary for your support or the support of your dependents.

NOTE: If you have selected the Bankruptcy Code exemptions (line 8 above), you may not also claim the state law exemptions listed below.

MAJOR EXEMPTIONS UNDER PUERTO RICO LAW

NOTE: If you select the exemptions available under state law, the law of the state where you have been domiciled for the greater part of the last 180 days governs your rights.

- _____ 9. Homestead or Residential Property - Head of family may exempt \$1,500 but the exemption is subject to certain mortgages and debts for acquisition of and improvements to the homestead. (P.R Laws Ann. tit. 31, §§ 1851, 1852; 1854 and 1855)

<u>Address of Residence</u>	<u>Fair Market Value</u>	<u>Equity</u>
_____	\$ _____	\$ _____

- _____ 10. Personal Property- Debtor may exempt chairs,

tables, desks and books to the value of \$100 belonging to the debtor; necessary household furniture including one sewing machine in actual use in the family, or belonging to a woman; stove furniture, beds, bedding, bedsteads not exceeding \$200 in value; clothing, artwork done by the debtor, family portraits and their necessary frames; provisions sufficient for one month; one cow with her suckling calf and one hog with her suckling pigs; \$500 in shares held in a homestead association if the debtor is not the owner of the homestead; uniforms the debtor is required by law to keep and one gun; iceboxes; a washing machine not exceeding the cash value of \$200, a radio up to \$100 in value, a television up to \$250 in value and electric irons for home use. [PR. Laws Ann. tit. 32 § 1130(1), (2), (8), (11) and (14)].

Property Claimed:	Fair Market Value
	\$

11. Trade/Farm Implements - Debtor may exempt \$200 worth of farming implements; two oxen or two horses or two mules and their harnesses; one cart or wagon and animal food for one month; a water right not to exceed the amount used for origination of lands the debtor actually cultivates; \$200 worth of seeds, grains or vegetables to be planted or sowed or on hand within the ensuing six months; \$300 in tools for an artisan or mechanic necessary to carry out his trade; notarial sea and records; medical, dental and surveyor equipment; professional libraries; office furniture, \$200 in mining equipment, \$100 in a pack of animal and saddle animal and their equipment belonging to a miner actually engaged in prospecting; [P.R. Laws Ann. tit. 32 §§ 1130(3), (4) and (5)]

Property Claimed:	Fair Market Value
	\$

12. Motor Vehicles - A motor vehicle used in the debtor's occupation is exempt from all but funds used in connection with the purchase of acquisition price and/or repair or improvement of the vehicle or for fuel, parts or accessories.

[P.R. Laws Ann. tit 32, § 1130(4a)]

Property Claimed:	Fair Market Value
<hr/>	\$

13. Transportation Vehicles - A conveyance (including animals) used for making professional visits and animal food for one month. [P.R. Laws Ann. tit 32, § 1130 (6)]

Property Claimed:	Fair Market Value
<hr/>	\$

14. Pension and Retirement Benefits - Benefits from various employee retirement systems are exempt; however, a part of such annuities may be withheld by the secretary of the Treasury to be applied toward payment of any loan obtained by the employee from any fund or loan agency, etc. created by the employer for the purpose of granting loan to its employees; annuities on property are exempt. (P.R. Laws Ann. tit. 18, § 323 and 361; tit. 25, § 383; tit. 31, §4796)

Amount Claimed:	\$ _____
-----------------	----------

15. Unemployment Compensation - Exempt from all but debts for necessaries furnished while the debtor is unemployed if funds are not commingled. [P.R. Laws Ann. tit. 29, § 705(1)].

Amount Claimed:	\$ _____
-----------------	----------

16. Workers' Compensation - Exempt from all debts for necessaries furnished while the debtor is disabled, as long as the funds are not commingled with other funds of the debtor. [P.R. Laws Ann. tit 11, §§ 3 and 203(n)]

Amount Claimed:	\$ _____
-----------------	----------

17. Miscellaneous Benefit - Teachers' salaries are exempt. (P.R. Laws Ann. tt. 18, § 290)

Amount Claimed:	\$ _____
-----------------	----------

18. Insurance Benefits - \$200 per month in disability payments and life insurance benefits are exempt from insured's debts and the

beneficiary's debts existing at the time the proceeds are made available, but in the case of disability payments, the exemption does not apply to debts for necessaries contracted for during the disability prior or if the policy or a written assignment provides otherwise; benefit from life insurance on the life of a debtor are exempt if the yearly premiums do not exceed \$50 and the beneficiary is the spouse or legal representative; group life insurance is completely exempt; \$250 per month in annuity payments is exempt and any excess is reachable by creditors unless court finds it necessary for support; if the annuity contract so provides, the above exemptions and exceptions can apply to the beneficiary; all benefits paid under the Automobile Accident Social Protection Act are exempt. [P.R Laws Ann. tit. 9, § 2054; tit. 26, §§ 1132, 1134 and 1135; tit. 32, § 1130(9)]

Amount Claimed: \$_____

19. Public Assistance - Exempt. (P.R. Laws Ann. tit. 8, § 23)

Amount Claimed: \$_____

20. Benefits Received from Fraternal Benefit Societies - Exempt (P.R. Laws Ann. tit. 26, 3618)

Amount Claimed: \$_____

The statements made in this claim of entitlement to exemptions and fair market value of the property designated are made and declared under penalty of perjury that they are true and correct. I also declare under penalty of perjury that on this date I have mailed a copy of the Claim for Exemption Form to Rebecca Vargas Vera, Assistant U.S. Attorney, Financial Litigation Unit, Federal Office Building, Room 452, Carlos Chardon Avenue, Hato Rey, Puerto Rico 00918.

Date: _____ FIELD(3) FIELD(4)